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To: Commissioner for Patents for Examiner Clement B. Graham Group Art Unit 3628	Facsimile No.: 571/273-8300
From: Michele Morrow Legal Assistant to Gerald H. Glanzman	No. of Pages Including Cover Sheet: 35
Message:  Enclosed herewith: <ul style="list-style-type: none"><li>• Transmittal of Appeal Brief; and</li><li>• Appeal Brief.</li></ul>	
Re: Application No. 09/721,093 Attorney Docket No: YOR9-2000-0126-US1	
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## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of: **Gupta et al.**

Serial No.: 09/721,093

Filed: November 22, 2000

For: **Handling Order (Proxy) Bids  
in an On-Line Auction**

§ Group Art Unit: 3628  
§  
§ Examiner: **Graham, Clement B.**  
§  
§ Attorney Docket No.: **YOR9-2000-0126-US1**  
§

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By:

  
Michele MorrowTRANSMITTAL OF APPEAL BRIEF

Commissioner for Patents  
P.O. Box 1450  
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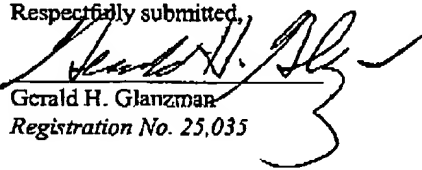
Sir:

ENCLOSED HEREWITH:

- Appeal Brief (37 C.F.R. 41.37)

No fees are believed to be necessary. If, however, any fees are required, I authorize the Commissioner to charge these fees which may be required to IBM Corporation Deposit Account No. 50-0510. No extension of time is believed to be necessary. If, however, an extension of time is required, the extension is requested, and I authorize the Commissioner to charge any fees for this extension to IBM Corporation Deposit Account No. 50-0510.

Respectfully submitted,

  
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MAY 22 2006

Docket No. YOR9-2000-0126-US1

PATENT

## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of: Gupta et al.

Serial No. 09/721,093

Filed: November 22, 2000

For: Handling Order (Proxy) Bids in  
an On-Line Auction§  
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§  
§

Group Art Unit: 3628

Examiner: Graham, Clement B.


Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

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PATENT TRADEMARK OFFICE  
CUSTOMER NUMBERCertificate of Transmittal Under 37 C.F.R. § 1.8(a)

I hereby certify this correspondence is being transmitted via facsimile to the Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450, facsimile number (571) 273-8300 on May 22, 2006.

By:

  
Michele MorrowAPPEAL BRIEF (37 C.F.R. 41.37)

Appellants respectfully request reinstatement of the Notice of Appeal, filed in this case on March 20, 2006.

No fees are believed to be necessary. If, however, any fees are required, I authorize the Commissioner to charge these fees which may be required to IBM Corporation Deposit Account No. 50-0510. No extension of time is believed to be necessary. If, however, an extension of time is required, the extension is requested, and I authorize the Commissioner to charge any fees for this extension to IBM Corporation Deposit Account No. 50-0510.

(Appeal Brief Page 1 of 33)  
Gupta et al. - 09/721,093

**REAL PARTY IN INTEREST**

The real party in interest in this appeal is the following party: International Business Machines Corporation.

**RELATED APPEALS AND INTERFERENCES**

With respect to other appeals or interferences that will directly affect, or be directly affected by, or have a bearing on the Board's decision in the pending appeal, there are no such appeals or interferences.

**STATUS OF CLAIMS****A. TOTAL NUMBER OF CLAIMS IN APPLICATION**

Claims in the application are: 1, 4-18 and 21-31

**B. STATUS OF ALL THE CLAIMS IN APPLICATION**

1. Claims canceled: 2, 3, 19 and 20
2. Claims withdrawn from consideration but not canceled: NONE
3. Claims pending: 1, 4-18 and 21-31
4. Claims allowed: NONE
5. Claims rejected: 1, 4-18 and 21-31
6. Claims objected to: NONE

**C. CLAIMS ON APPEAL**

The claims on appeal are: 1, 4-18 and 21-31

**STATUS OF AMENDMENTS**

Prosecution was reopened in view of the Appeal Brief filed on September 8, 2005, and a non-final Office Action was issued on December 19, 2005. A Notice of Reinstatement of the Appeal was filed on March 20, 2006. No Amendment was filed in response to the Office Action dated December 19, 2005, such that the claims on Appeal herein stand as amended in the Response to Office Action filed September 16, 2004.

**SUMMARY OF CLAIMED SUBJECT MATTER****A. CLAIM 1 - INDEPENDENT**

The subject matter of claim 1 is directed to a method in a server data processing system for generating bids for an auction. A plurality of bids for a set of bidding agents is sorted by decreasing bid amount to form a sorted set of bids. The bids for the set of bidding agents are sorted using upper limits for the bids. See specification, page 12, line 21, to page 14, line 10; page 15, lines 4-23. A first bid from the plurality of bids is identified for which an unallocatable portion (shortfall) of a requested quantity is present. See specification, page 12, lines 27-29; page 15, lines 24 and 25; page 16, lines 16-23. A number of bids from the plurality of bids are selected, wherein the number of bids is higher in the sorted set of bids than the first bid. Each bid in the selected number of bids has an allocation requirement less than the unallocatable portion of the first bid (the shortfall). See specification, page 12, line 29, to page 13, line 24; page 16, lines 11-13. A price for the number of bids is set to form a final equilibrium price. See specification, page 13, lines 23-32; page 16, line 14. A bid is then submitted in the data processing system for each of the bidding agents based on the final equilibrium price. See specification, page 11, line 26, to page 12, line 1; page 12, lines 14-20.

**B. CLAIM 5 - INDEPENDENT**

The subject matter of claim 5 is directed to a method in a server data processing system for generating bids for an auction. A plurality of bids for bidding agents is sorted by decreasing bid amount to form a sorted set of bids. Each bid for the bidding agents includes a quantity. The plurality of bids include order bids. See specification, page 12, line 21, to page 14, line 10; page 15, lines 4-23. An order bid is also referred to as a "proxy bid," which is a bid submitted by a bidding agent on behalf of a buyer. See specification, page 3, lines 26-29. A first bid from the plurality of bids for which an unallocatable portion (shortfall) of a requested quantity is present is identified. See specification, page 12, lines 27-29; page 15, lines 24 and 25; page 16, lines 16-23. A number of order bids from the plurality of bids are selected, wherein the number of order



bids is higher in the sorted set of bids than the first bid. Each bid in the selected number of bids has an allocation requirement less than the unallocatable portion of the first bid (the shortfall). See specification, page 12, line 29, to page 13, line 24; page 16, lines 11-13. A price for the number of bids is set to form a final equilibrium price. See specification, page 13, lines 23-32; page 16, line 14.

#### **C. CLAIM 13 - INDEPENDENT**

The subject matter of claim 13 is directed to a data processing system comprising a bus system 206, 212, 216, 226, 228, a communications unit connected to the bus system 218, 220, a memory connected to the bus system 209, and a processing unit connected to the bus system 202, 204. See specification, page 9, line 15, to page 10, line 24. The memory includes a set of instructions. See specification, page 15, line 4, to page 18, line 19; page 19, line 15, to page 20, line 1. The processing unit sorts a plurality of bids by decreasing bid amount to form a sorted set of bids. Each bid includes a quantity. The plurality of bids include order bids. See specification, page 12, line 21, to page 14, line 10; page 15, lines 4-23. An order bid is also referred to as a "proxy bid," which is a bid submitted by a bidding agent on behalf of a buyer. See specification, page 3, lines 26-29. The processing unit identifies a first bid from the plurality of bids for which an unallocatable portion (shortfall) of a requested quantity is present. See specification, page 12, lines 27-29; page 15, lines 24 and 25; page 16, lines 16-23. The processing unit then selects a number of order bids from the plurality of bids that are higher in the sorted set of bids than the first bid. Each bid in the selected number of bids has an allocation requirement less than the unallocatable portion of the first bid (the shortfall). See specification, page 12, line 29, to page 13, line 24; page 16, lines 11-13. The processing unit then sets a price for the number of bids. See specification, page 13, lines 23-32; page 16, line 14.

#### **D. CLAIM 18 - INDEPENDENT**

The subject matter of claim 18 is directed to a data processing system for generating bids for an auction. A plurality of bids for a set of bidding agents is sorted by decreasing bid amount to form

a sorted set of bids. The bids for the set of bidding agents are sorted using upper limits for the bids. See specification, page 12, line 21, to page 14, line 10; page 15, lines 4-23. A first bid from the plurality of bids for which an unallocatable portion (shortfall) of a requested quantity is present is identified. See specification, page 12, lines 27-29; page 15, lines 24 and 25; page 16, lines 16-23. A number of bids from the plurality of bids that are higher in the sorted set of bids than the first bid are then selected. Each bid in the selected number of bids has an allocation requirement less than the unallocatable portion of the first bid (the shortfall). See specification, page 12, line 29, to page 13, line 24; page 16, lines 11-13. A price for the number of bids is set to form a final equilibrium price. See specification, page 13, lines 23-32; page 16, line 14. A bid is then submitted in the data processing system for each of the bidding agents on the final equilibrium price. See specification, page 11, line 26, to page 12, line 1; page 12, lines 14-20.

The means recited in independent claim 18, as well as dependent claim 21, may be data processing hardware within the server computer shown in **Figure 2**, for example, operating under control of software performing the steps described in the specification at page 15, line 4, to page 18, line 19, or equivalent.

#### **E. CLAIM 22 – INDEPENDENT**

The subject matter of claim 22 is directed to a data processing system for generating bids for an auction. A plurality of bids is sorted by decreasing bid amount to form a sorted set of bids. Each bid includes a quantity. The plurality of bids include order bids. See specification, page 12, line 21, to page 14, line 10; page 15, lines 4-23. An order bid is also referred to as a “proxy bid,” which is a bid submitted by a bidding agent on behalf of a buyer. See specification, page 3, lines 26-29. A first bid from the plurality of bids for which an unallocatable portion (shortfall) of a requested quantity is present is identified. See specification, page 12, lines 27-29; page 15, lines 24 and 25; page 16, lines 16-23. A number of order bids from the plurality of bids that are higher in the sorted set of bids than the first bid are then selected. Each bid in the selected number of bids has an allocation requirement less than the unallocatable portion of the first bid (the

shortfall). See specification, page 12, line 29, to page 13, line 24; page 16, lines 11-13. A price for the number of bids is then set. See specification, page 13, lines 23-32; page 16, line 14.

The means recited in independent claim 22, as well as dependent claims 23-29, may be data processing hardware within the server computer shown in **Figure 2**, for example, operating under control of software performing the steps described in the specification at page 15, line 4, to page 18, line 19, or equivalent.

#### **F. CLAIM 30 – INDEPENDENT**

The subject matter of claim 30 is directed to a computer program product for generating bids for an auction. A plurality of bids for a set of bidding agents is sorted by decreasing bid amount to form a sorted set of bids. The bids for the set of bidding agents are sorted using upper limits for the bids. See specification, page 12, line 21, to page 14, line 10; page 15, lines 4-23. A first bid from the plurality of bids for which an unallocatable portion (shortfall) of a requested quantity is present is identified. See specification, page 12, lines 27-29; page 15, lines 24 and 25; page 16, lines 16-23. A number of bids from the plurality of bids that are higher in the sorted set of bids than the first bid are then selected. Each bid in the selected number of bids has an allocation requirement less than the unallocatable portion of the first bid (the shortfall). See specification, page 12, line 29, to page 13, line 24; page 16, lines 11-13. A price for the number of bids is set to form a final equilibrium price. See specification, page 13, lines 23-32; page 16, line 14. A bid is then submitted in the data processing system for each of the bidding agents based on the final equilibrium price. See specification, page 11, line 26, to page 12, line 1; page 12, lines 14-20.

#### **G. CLAIM 31 - INDEPENDENT**

The subject matter of claim 31 is directed to a computer program product for generating bids for an auction. A plurality of bids is sorted by decreasing bid amount to form a sorted set of bids. Each bid for the bidding agents includes a quantity. The plurality of bids include order bids. See specification, page 12, line 21, to page 14, line 10; page 15, lines 4-23. An order bid is also

referred to as a “proxy bid,” which is a bid submitted by a bidding agent on behalf of a buyer. See specification, page 3, lines 26-29. A first bid from the plurality of bids for which an unallocatable portion (shortfall) of a requested quantity is present is identified. See specification, page 12, lines 27-29; page 15, lines 24 and 25; page 16, lines 16-23. A number of order bids from the plurality of bids that are higher in the sorted set of bids than the first bid is then selected. Each bid in the selected number of bids has an allocation requirement less than the unallocatable portion of the first bid (the shortfall). See specification, page 12, line 29, to page 13, line 24; page 16, lines 11-13. A price for the number of bids is then set. See specification, page 13, lines 23-32; page 16, line 14.

#### **H. CLAIM 7 – DEPENDENT**

The subject matter of claim 7, which depends from claim 5, further requires that each bid in the number of order bids is selected from the plurality of bids based on the allocation requirement, upper limit, and a time when each order bid in the number of order bids was received. See specification, page 12, line 29, to page 13, line 24.

#### **I. CLAIM 8 – DEPENDENT**

The subject matter of claim 8, which depends from claim 5, further requires that each order bid in the number of order bids is selected from the plurality of bids based on the allocation requirement and an upper limit. See specification, page 12, line 29, to page 13, line 24.

#### **J. CLAIM 9 – DEPENDENT**

The subject of claim 9, which depends from claim 5, further requires that each bid in the number of order bids is selected based on the allocation requirement and the number of order bids maximize revenue. See specification, page 12, line 29, to page 13, line 24.

**K. CLAIM 24 – DEPENDENT**

The subject matter of claim 24, which depends from claim 22, further requires that each bid in the number of order bids is selected from the plurality of bids based on the allocation requirement, upper limit, and a time when each order bid in the number of order bids was received. See specification, page 12, line 29, to page 13, line 24.

**L. CLAIM 25 – DEPENDENT**

The subject matter of claim 25, which depends from claim 22, further requires that each order bid in the number of order bids is selected from the plurality of bids based on the allocation requirement and an upper limit. See specification, page 12, line 29, to page 13, line 24.

**M. CLAIM 26 – DEPENDENT**

The subject matter of claim 26, which depends from claim 22, further requires that each bid in the number of order bids is selected based on the allocation requirement and the number of order bids maximize revenue. See specification, page 12, line 29, to page 13, line 24.

**GROUND OF REJECTION TO BE REVIEWED ON APPEAL**

**A. GROUND OF REJECTION 1 (Claims 1, 4-18 and 21-31)**

Claims 1, 4-18 and 21-31 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Boarman et al. (U.S. Patent No. 6,609,112) in view of Brett (U.S. Patent No. 6,907,405).

## ARGUMENT

### **A. GROUND OF REJECTION 1 (Claims 1, 4-18 and 21-31)**

The Examiner has rejected claims 1, 4-18 and 21-31 under 35 U.S.C. § 103(a) as being unpatentable over Boarman et al. (U.S. Patent No. 6,609,112) in view of Brett (U.S. Patent No. 6,907,405).

#### **A.1. Claims 1, 4-18 and 21-31**

In rejecting claim 1, the Examiner states:

As per claim 1, Boarman discloses a data processing system for generating bids for an auction the method comprising:  
Sorting a plurality of bids for a set of bidding agents ("i. e, "participants" see column 2 lines 3-57 and column 5 lines 15-35") by decreasing ("i. e, adjusting") bid amount to form a sorted set of bids (see column 2 lines 30-52)  
wherein bids for the set of bidding agents are sorted using upper limits ("i. c, adjusting") for the bids for the set of bidding agents (see column 2 lines 30-52) and wherein each bidding agent in the set of bidding agents is a computer implemented process executing in the server data processing system to generate bids on behalf of the buyer identifying a first bid (i. e, "initial auction") from the plurality of bids for which an unallocatable portion ("i. e, "remaining two hubcaps" see column 1 lines 42-49") of a requested quantity is present (see column 2 lines 19-29 and column 6 lines 30-65) wherein the number of bids is higher in a sorted set of bids than the first bid column 6 lines 30-65) and, wherein each bid in the number of bids has an allocation requirement less than the unallocatable portion of the first bid, setting in the server data processing system a price for the number of bids to form a final equilibrium price and submitting to a bid engine in the server data processing system for each of the bidding agents based on the final equilibrium price (Note Fig. 3b and see column 5 lines 60-65 and column 6 line 5 and column 6 lines 30-65).

Boarman fail explicitly teach selecting bids.

However Brett discloses the participant's preference screen 200 may also include an option that allows the auction participant to individually designate those priority rights upon which the participant wishes to bid. Instead of selecting to bid within the sections or subsections defined by the auction organizer, each participant may define his own personal bidding section. One embodiment of this invention is to allow the auction participant to define the bounds of his personal bidding section by using a mouse to "click and drag" a cursor over a portion of the graphical representation of the available property rights. Another embodiment involves permitting the auction participant to define his personal bidding section by entering the first and last priority right identification numbers in the desired personal bidding section. (see column 19 lines 20-

67 and column 20 lines 1-25).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Boarman to include selecting bids taught by Brett in order to provide an auctioning system in which large numbers participants may have simultaneous access to bid.

Office Action dated December 19, 2005, pages 2 and 3.

Claim 1 of the present application on appeal herein is as follows:

1. A method, in a data processing system, for generating bids for an auction, the method comprising:
  - sorting a plurality of bids for a set of bidding agents by decreasing bid amount to form a sorted set of bids, wherein bids for the set of bidding agents are sorted using upper limits for the bids for the set of bidding agents;
  - identifying a first bid from the plurality of bids for which an unallocatable portion of a requested quantity is present;
  - selecting a number of bids from the plurality of bids, wherein the number of bids is higher in the sorted set of bids than the first bid and wherein each bid in the number of bids has an allocation requirement less than the unallocatable portion of the first bid;
  - setting a price for the number of bids to form a final equilibrium price; and
  - submitting a bid, in the data processing system, for each of the bidding agents based on the final equilibrium price.

A fundamental notion of patent law is the concept that invention lies in the new combination of old elements. Therefore, a rule that every invention could be rejected as obvious by merely locating each element of the invention in the prior art and combining the references to formulate an obviousness rejection is inconsistent with the very nature of "invention." Consequently, a rule exists that a combination of references made to establish a *prima facie* case of obviousness must be supported by some teaching, suggestion, or incentive contained in the prior art which would have led one of ordinary skill in the art to make the claimed invention.

The Examiner bears the burden of establishing a *prima facie* case of obviousness based on the prior art when rejecting claims under 35 U.S.C. § 103. *In re Fritch*, 972 F.2d 1260, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). The requirements for establishing a *prima facie* case of obviousness in view of a combination of references are set forth in detail in Section 2142 of the MPEP and include the requirements that the Examiner explain in detail why the combination of the teachings is proper, that the Examiner provide a clear and convincing line of reasoning as to



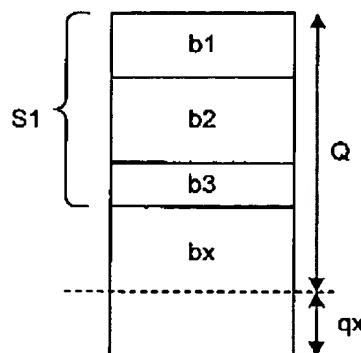
why an artisan would have found the claimed invention obvious in light of the teachings of the references, and that the Examiner provide a showing that it is the prior art and not the Applicant's own disclosure that teaches the combination asserted by the Examiner.

Appellants submit that neither Boarman nor Brett nor their combination discloses or suggests the subject matter recited in claim 1, and that the Examiner has not established a *prima facie* case of obviousness with respect to claim 1.

Boarman teaches a system and method for providing proxy-based online Dutch auction services. Bidders provide proxies or bidding agents to submit bids without intervention from human bidders. An auction manager sorts bids in accordance with proxy values. If a bid is encountered for which the requested quantity is less than or equal to the available quantity, then the bid is accepted and the quantity available value is decremented. If a bid is encountered for which the requested quantity is greater than the available quantity, then the auction manager records a partial bid. See Boarman, col. 5, line 56, to col. 6, line 7.

Boarman does not teach or suggest "identifying a first bid from the plurality of bids for which an unallocatable portion of a requested quantity is present", "selecting a number of bids from the plurality of bids, wherein the number of bids is higher in the sorted set of bids than the first bid and wherein each bid in the number of bids has an allocation requirement less than the unallocatable portion of the first bid" and "setting a price for the number of bids to form a final equilibrium price".

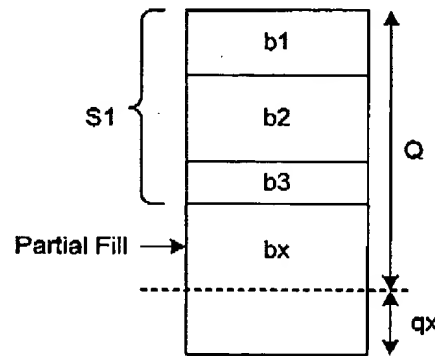
The following illustration depicts a typical sorted set of bids in an auction, such as that described in Boarman:



The bids are sorted from b1 to bx in order of price. Q is the quantity of product for bid. Each bid

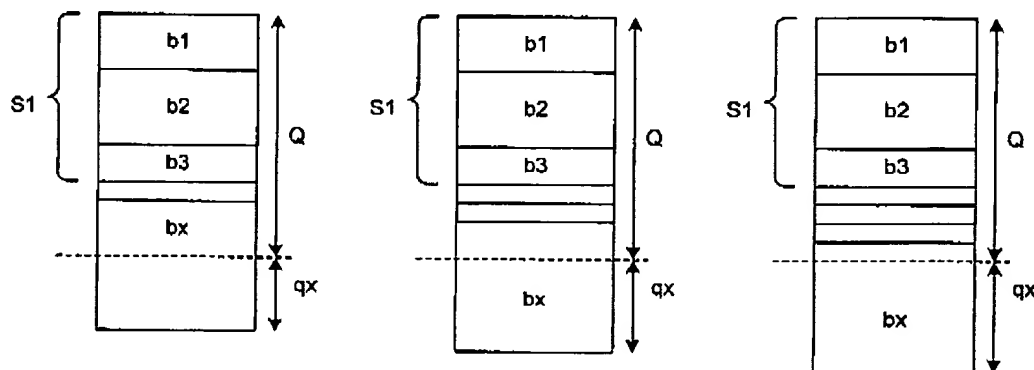
sets forth a price and an amount. The subset, S1, represents bids that can be fully allocated. Bid bx cannot be fully allocated, but may be partially allocated. Thus, the amount of qx is the amount that cannot be allocated.

Typically, as is the case with Boorman, the bids will be allocated as follows:



Thus, bids b1, b2, and b3 are fully allocated and bx is partially filled. Again, qx is the unallocatable amount of the bids. With this bid ordering technique, a problem may arise with automated bidding agents. As described in the present specification, an order bid is a bid placed on behalf of a buyer who is unable to participate in the auction. An order bid is placed by a bidding agent. See specification, page 3, lines 26-29.

These bidding agents may determine that a bid having a higher price than bx and a quantity below qx will beat out bid bx. Consequently, two or more bidding agents may get into a "bidding war" and present many small bids, as shown below:



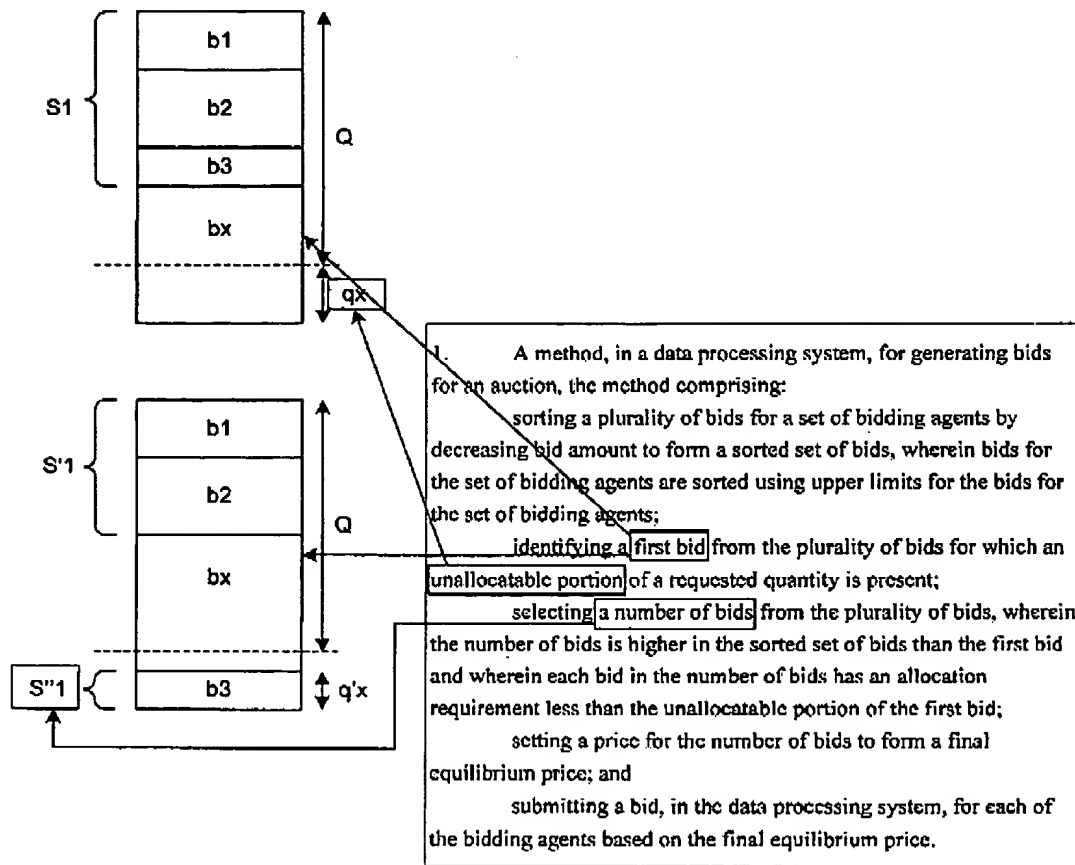
When there is a bidding war between two or more bidding agents, rather than human participants, the number of bids may become quite large. This causes the tables or other data

structures storing the bids to grow quite large. Also, when a human bidder wishes to review bids to participate in the auction, the number of bids to review may become unmanageable. Boarman does not present a solution to this problem. Rather, in Boarman, a bidding agent will simply submit a bid that is the minimum bid plus a minimum increment.

In contradistinction, the present invention, as recited in independent claim 1 identifies a bid requesting a quantity for which an unallocatable portion is present and selects a number of bids, wherein the number of bids is higher in the sorted set of bids than the identified bid and each bid in the number of order bids has an allocation requirement less than the unallocatable portion of the identified bid. The present invention, as recited in independent claim 1 then selects a number of bids from the sorted set of bids for which the requested quantity is less than or equal to the unallocatable portion, the shortfall.

Boarman is silent to the recited features of selecting a number of bids that have an allocation requirement less than the unallocatable portion of the identified bid. Boarman does not teach setting a final **equilibrium price** for the **selected number of bids**. Rather, in Boarman, each bid has whatever price is specified in the bid.

Features of the invention recited in claim 1 are illustrated below. The following depiction is merely an example to illustrate the claimed features and is not meant to define or limit the claimed invention to the particular example shown. The claims themselves shall define the invention.



As illustrated above, if one or more bids (b3) in the sorted set (S1) are higher than bx, but have an allocation requirement (q'x) that is less than the shortfall (qx), then those bids (S'1) are selected and a price is set for the bids to form a final equilibrium price. The bid proxies use the final equilibrium price, rather than the price of bid bx plus a minimum increment, to submit a bid. This eliminates bid proxies from getting into a "bidding war" and submitting many small bids above bx.

As stated above, Boarman does not teach identifying a first bid from the plurality of bids for which an unallocatable portion of a requested quantity is present, selecting a number of bids from the plurality of bids, wherein the number of bids is higher in the sorted set of bids than the first bid and wherein each bid in the number of bids has an allocation requirement less than the unallocatable portion of the first bid, and setting a price for the number of bids to form a final equilibrium price.

The Office Action does not specifically address many of these limitations other than to

conclude that they are taught in seemingly arbitrary and irrelevant portions of the reference. For example, the Office Action alleges that Boarman teaches identifying a first bid from the plurality of bids for which an unallocatable portion of a requested quantity is present, as recited in claim 1, for example, because Boarman teaches "remaining two hub caps" at col. 1, lines 42-49. This portion of Boarman states:

As a more detailed example, a seller may offer or list five hubcaps for sale at \$50.00 each. The auction host, possibly in conjunction with parameters specified by the seller, may define a minimum bid increment, which in the context of this example is defined as \$1.00. A first bidder, Mary, wants three of the hubcaps, and submits a bid totaling \$100.00. A second bidder, Hank, wants the remaining two hubcaps, and submits a bid totaling \$110.00. Both Mary and Hank may have the option of accepting fewer items than they desire.

The Office Action proffers no explanation as to how a human bidder, Hank, deciding to bid \$110.00 for the remaining two hubcaps is somehow equivalent to identifying a first bid from the plurality of bids for which an unallocatable portion of a requested quantity is present, as in the claimed invention.

The Office Action does acknowledge that Boarman fails to explicitly teach selecting bids, and cites Brett as disclosing this feature. Appellants respectfully disagree. Brett relates to an automated auctioning system in which a large number of participants may have simultaneous access to bid on desired priority rights. Column 19, line 20 to column 20, line 26 of Brett, referred to by the Examiner as teaching selecting bids is reproduced below for the convenience of the Board:

The participant's preference screen 200 also includes an option 204 that allows the system to receive lock-in priority right information. This option 204 allows the participant to secure a priority right, upon payment of a premium, regardless of any subsequent bids for the priority right during the auction. This premium may be expressed in any number of ways such as a flat dollar amount (e.g., \$25) or a percent of the bid value (e.g., 50%). The premium is expressed on the preferences screen 200 by lock-in premium line 208. Thus, if the participant makes a bid of \$80 per priority right for five seats, and this bid currently places the bidder in a particular subsection of priority rights, the participant may lock-in these five priority rights upon payment of the premium. If the premium is 50% of the bid value, the participant would be required to pay \$120 per priority right, or \$600 total dollars to secure these five priority rights until the close of the

auction. If the participant does choose to lock-in his bid by paying the premium, the participant will retain all five priority rights throughout the auction even if a subsequent bidder offers \$120 or more for the same priority rights.

The participant's preference screen 200 may also include an option that allows the system to receive proxy bid information. The proxy bid options are shown under proxy block 206. According to the proxy bid options, the participant may enter a maximum proxy bid amount in addition to the current bid amount. The maximum proxy bid amount is the amount that the bidder authorizes the system to bid in his absence in order to keep the bidder in the preferred seat or location. Under this block 206, the bidder has the following three options: (i) keep the bidder in the bidding for the same priority rights for up to the maximum bid amount, (ii) keep the bidder in the same section of priority rights for up to the maximum bid amount, and (iii) keep the bidder in the bidding for any priority right in the auction for up to the maximum bid amount. Thus, if the participant bids \$80 for a priority right in a certain section, but authorizes proxy bidding up to \$130, the participant may leave the auction, knowing that proxy bids will be made for him up to \$130 should a subsequent bid exceed his bid. If the participant chooses the option to stay in the bidding for the same priority right for up to the maximum bid, the system will keep the participant in the bidding for that priority right until subsequent bids for that priority right are received exceeding \$130. At that time, the participant's bid will be bumped. If the participant chooses the option to stay in bidding for the same section of priority rights for up to the maximum bid, the participant will be bumped to the rear of the section as subsequent bids are received for greater than \$80. Once bids for the rear of the section reach \$80, the participant's bid will automatically increase to keep him in the section up to a value of \$130. Once all bids in the section exceed \$130, the participant's bid will be bumped. Finally, if the bidder chooses to simply stay in the overall bidding for up to \$130, the participant's \$80 bid will be continually bumped to less preferential priority rights, as bid values exceed \$80. Once the least preferential priority right reaches \$80, the participant's bid will automatically increase to keep him in the bidding for up to a bid of \$130. If bids for the least preferential priority right exceed \$120, the participant will be completely removed from the bidding.

The participant's preference screen 200 may also include an option that allows the auction participant to individually designate those priority rights upon which the participant wishes to bid. Instead of selecting to bid within the sections or subsections defined by the auction organizer, each participant may define his own personal bidding section. One embodiment of this invention is to allow the auction participant to define the bounds of his personal bidding section by using a mouse to "click and drag" a cursor over a portion of the graphical representation of the available priority rights. Another embodiment involves permitting the auction participant to define his personal bidding section by entering the first and last priority right identification numbers in the desired personal bidding section.

As is apparent from the above recitation, Brett provides a mechanism by which a participant may designate priority rights upon which the participant may wish to bid and to define the bounds of his personal bidding section by using a mouse or by entering first and last

priority right identification numbers. This recitation is in no way a teaching of “selecting a number of bids from the plurality of bids, wherein the number of bids is higher in the sorted set of bids than the first bid and wherein each bid in the number of bids has an allocation requirement less than the unallocatable portion of the first bid” as recited in claim 1. The above recitations relate to actions of a participant in selecting different bidding procedures by which to participate in an auction. The recitation does not appear to relate to selecting bids among a plurality of differently submitted bids, and is certainly unrelated to selecting bids “wherein the number of bids is higher in the sorted set of bids than the first bid and wherein each bid in the number of bids has an allocation requirement less than the unallocatable portion of the first bid”. The combination of Boarman in view of Brett, accordingly, does not teach or suggest the present invention as recited in claim 1, and claim 1 patentably distinguishes over the references in its present form.

The Examiner has also not fulfilled his burden of establishing a *prima facie* case of obviousness. In particular, the Examiner does not explain why the combination of the teachings is proper, nor has he provided a clear and convincing line of reasoning as to why an artisan would have found the claimed invention obvious in light of the teachings of the references. The Examiner’s reasoning for the combination is that and that the combination will provide an auctioning system in which large numbers participants may have simultaneous access to bid. However, selecting bids “wherein the number of bids is higher in the sorted set of bids than the first bid and wherein each bid in the number of bids has an allocation requirement less than the unallocatable portion of the first bid” would not appear to be particularly pertinent with regard to simultaneous access by a large number of participants. Appellants submit that the only motivation for combining the references as proposed by the Examiner is contained in Appellants’ own disclosure and is not contained in the cited art.

For at least all the above reasons, claim 1 patentably distinguishes over Boarman in view of Brett, and it is respectfully requested that the Board so find and reverse the Examiner’s rejection of the claim

Independent claims 5, 13, 18, 22, 30, and 31 recite subject matter similar to the subject matter of claim 1 addressed above; and patentably distinguish over Boarman in view of Brett for similar reasons as claim 1. Claims 6-12, 14-17, 21 and 23-29 depend from claims 5, 13, 18 and

22, and also patentably distinguish over the references at least by virtue of their dependency.

Therefore, Appellants respectfully request that the rejection of claims 1, 4-18, and 21-31 under 35 U.S.C. § 103 as being unpatentable over Boarman in view of Brett not be sustained.

#### **A.2. Claims 7, 8, 24 and 25**

Claim 7 depends from claim 5 and is as follows:

7. The method of claim 5, wherein each bid in the number of order bids is selected from the plurality of bids based on the allocation requirement, upper limit, and a time when each order bid in the number of order bids was received.

In rejecting claim 7, the Examiner acknowledges again that Boarman fails to disclose selecting bids from a plurality of bids, and cites Brett as disclosing this feature. As pointed out above, however, Brett also does not disclose this feature and nowhere discloses or suggests “selecting bids based on the allocation requirement, upper limit, and a time when each order bid in the number of order bids was received”. The Examiner does not identify any disclosure of this feature in Brett, nor does the Examiner explain how one skilled in the art would be led to provide this feature in Boarman based on any teachings in Brett.

Accordingly, claim 7, as well as claims 8, 24 and 25, which recite subject matter similar to claim 7, patentably distinguish over Boarman in view of Brett and should be allowable in their own right as well as by virtue of their dependency.

#### **A.3 Claims 9 and 26**

Claim 9 depends from claim 5 and is as follows:

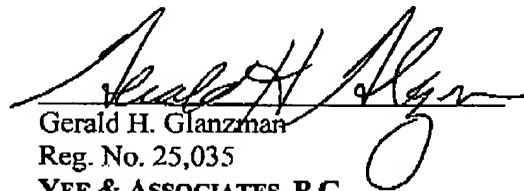
9. The method of claim 5, wherein each bid in the number of order bids is selected based on the allocation requirement and the number of order bids maximize revenue.

The Examiner rejects claim 9 for the same reasons as claim 7 discussed above, but does not state where the subject matter of claim 9 can be found in either Boarman or Brett. Appellants submit that neither Boarman nor Brett disclose or suggest that each bid in the number of order bids is selected “based on the allocation requirement and the number of order bids maximize revenue”,



and the Examiner has not fulfilled his burden of establishing a *prima facie* case of obviousness with respect to claim 9. Claim 9, accordingly, as well as claim 26 which recites similar subject matter, patentably distinguish over the references in their own right as well as by virtue of their dependency.

In view of the above, Appellants respectfully submit that claims 1, 4-18, and 21-31 are allowable over the cited prior art and respectfully request that the Board of Patent Appeals and Interferences reverse the Examiner's rejection of those claims.



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**CLAIMS APPENDIX**

The text of the claims involved in the appeal is:

1. A method, in a data processing system, for generating bids for an auction, the method comprising:

sorting a plurality of bids for a set of bidding agents by decreasing bid amount to form a sorted set of bids, wherein bids for the set of bidding agents are sorted using upper limits for the bids for the set of bidding agents;

identifying a first bid from the plurality of bids for which an unallocatable portion of a requested quantity is present;

selecting a number of bids from the plurality of bids, wherein the number of bids is higher in the sorted set of bids than the first bid and wherein each bid in the number of bids has an allocation requirement less than the unallocatable portion of the first bid;

setting a price for the number of bids to form a final equilibrium price; and

submitting a bid, in the data processing system, for each of the bidding agents based on the final equilibrium price.

4. The method of claim 1, wherein the sorting step, identifying step, selecting step, and setting step are repeated for unallocated items, remaining bids, and remaining unpriced order bids.

5. A method, in a data processing system, for generating bids for bidding agents in an auction, the method comprising:

sorting a plurality of bids by decreasing bid amount to form a sorted set of bids, wherein each bid includes a quantity and wherein the plurality of bids includes order bids;

identifying a first bid requesting a quantity for which an unallocatable portion is present;

selecting a number of order bids from the plurality of bids, wherein the number of order bids is higher in the sorted set of bids than the first bid and have an allocation requirement less than the unallocatable portion of the first bid; and

setting a price, in the data processing system, for the number of order bids to form a final equilibrium price.

6. The method of claim 5, wherein the number of order bids is a single order bid.
7. The method of claim 5, wherein each bid in the number of order bids is selected from the plurality of bids based on the allocation requirement, upper limit, and a time when each order bid in the number of order bids was received.
8. The method of claim 5, wherein each order bid in the number of order bids is selected from the plurality of bids based on the allocation requirement and an upper limit.
9. The method of claim 5, wherein each bid in the number of order bids is selected based on the allocation requirement and the number of order bids maximize revenue.

10. The method of claim 5, further comprising:  
repeating the selecting and setting steps for any remaining portion of the unallocatable portion and any remaining order bids in the plurality of bids.
11. The method of claim 5, wherein the price of the number of order bids is less than a price for the first bid.
12. The method of claim 5, wherein the number of order bids includes a bid accepting a partial allocation of a quantity for the bid.
13. A data processing system comprising:  
a bus system;  
a communications unit connected to the bus system;  
a memory connected to the bus system, wherein the memory includes a set of instructions; and  
a processing unit connected to the bus system, wherein the processing unit executes the set of instructions to receive a plurality of bids through the communications unit, sort the plurality of bids by decreasing bid amount to form a sorted set of bids in which each bid includes a quantity and the plurality of bids includes order bids, identify a first bid within the sorted set of bids having a quantity in which an unallocatable portion is present, select a number of order bids from the plurality of bids in which number of order bids are higher in the sorted set of bids than the first bid and have an allocation requirement less than the unallocatable portion of the first bid, set a price for the number of order bids.

14. The data processing system of claim 13, wherein the bus system is a single bus.
15. The data processing system of claim 13, wherein the bus system includes a primary bus and a secondary bus.
16. The data processing system of claim 13, wherein the processing unit includes a plurality of processors.
17. The data processing system of claim 13, wherein the communications unit is one of a modem and Ethernet adapter.
18. A data processing system for generating bids for an auction, the data processing system comprising:
  - sorting means for sorting a plurality of bids for a set of bidding agents by decreasing bid amount to form a sorted set of bids, wherein bids for the set of bidding agents are sorted using upper limits for the bids for the set of bidding agents;
  - identifying means for identifying a first bid from the plurality of bids for which an unallocatable portion of a requested quantity is present;
  - selecting means for selecting a number of bids from the plurality of bids, wherein the number of bids is higher in the sorted set of bids than the first bid and wherein each bid in the number of bids has an allocation requirement less than the unallocatable portion of the first bid;
  - setting means for setting a price for the number of bids to form a final equilibrium price;
  - and

submitting means for submitting a bid for each of the bidding agents based on the final equilibrium.

21. The data processing system of claim 18, wherein the sorting means, identifying means, selecting means, and setting means are repeated for unallocated items, remaining bids, and remaining unpriced order bids.

22. A data processing system for generating bids for bidding agents in an auction, the data processing system comprising:

sorting means for sorting a plurality of bids by decreasing bid amount to form a sorted set of bids, wherein each bid includes a quantity and wherein the plurality of bids includes order bids;

identifying means for identifying a first bid requesting a quantity in which an unallocatable portion is present;

selecting means for selecting a number of order bids from the plurality of bids, wherein the number of order bids are higher in the sorted set of bids than the first bid and have an allocation requirement less than the unallocatable portion of the first bid; and

setting means for setting a price for the number of order bids.

23. The data processing system of claim 22, wherein the number of order bids is a single order bid.

24. The data processing system of claim 22, wherein each bid in the number of order bids is selected from the plurality of bids based on the allocation requirement, upper limit, and a time when each order bid in the number of order bids was received.

25. The data processing system of claim 22, wherein each order bid in the number of order bids is selected from the plurality of bids based on the allocation requirement and an upper limit.

26. The data processing system of claim 22, wherein each bid in the number of order bids is selected based on the allocation requirement and the number of order bids maximize revenue.

27. The data processing system of claim 22 further comprising:

repeating means for repeating initiation of the selecting means and setting means for any remaining portion of the unallocatable portion and any remaining order bids in the plurality of bids.

28. The data processing system of claim 22, wherein the price of the number of order bids is less than a price for the first bid.

29. The data processing system of claim 22, wherein the number of order bids includes a bid accepting a partial allocation of a quantity for the bid.

30. A computer program product in a computer readable medium for generating bids for an auction, the computer program product comprising:

first instructions for sorting a plurality of bids for a set of bidding agents by decreasing bid amount to form a sorted set of bids, wherein bids for the set of bidding agents are sorted using upper limits for the bids for the set of bidding agents;

second instructions for identifying a first bid from the plurality of bids for which an unallocatable portion of a requested quantity is present;

third instructions for selecting a number of bids from the plurality of bids, wherein the number of bids is higher in the sorted set of bids than the first bid and wherein each bid in the number of bids has an allocation requirement less than the unallocatable portion of the first bid;

fourth instructions for setting a price for the number of bids to form a final equilibrium price; and

fifth instructions for submitting a bid for each of the bidding agents based on the final equilibrium.

31. A computer program product in a computer readable medium for generating bids for bidding agents in an auction, the computer program product comprising:

first instructions for sorting a plurality of bids by decreasing bid amount to form a sorted set of bids, wherein each bid includes a quantity and wherein the plurality of bids includes order bids;

second instructions for identifying a first bid requesting a quantity for which an unallocatable portion is present;



third instructions for selecting a number of order bids from the plurality of bids, wherein the number of order bids are higher in the sorted set of bids than the first bid and have an allocation requirement less than the unallocatable portion of the first bid; and fourth instructions for setting a price for the number of order bids.

**EVIDENCE APPENDIX**

There is no evidence to be presented.

**RELATED PROCEEDINGS APPENDIX**

There are no related proceedings.